

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7468

BILL NUMBER: HB 1553

NOTE PREPARED: Jan 9, 2003

BILL AMENDED:

SUBJECT: Mine Safety Fund.

FIRST AUTHOR: Rep. Liggett

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

STATE IMPACT	FY 2003	FY 2004	FY 2005
State Revenues		160,071	105,647
State Expenditures		151,575	101,297
Net Increase (Decrease)		8,496	4,350

Summary of Legislation: This bill establishes the Mine Safety Fund, funded by a mine safety assessment, to supplement funding for salaries and costs related to two mine inspectors. The bill provides that the fund is administered by the Department of Labor.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The Department of Labor provided estimates of costs for two new mine safety inspectors. The estimated cost is \$151,575 for the first year and \$101,297 for the second year (see table below for more detail). This assumes a 4% increase in salary, fringe benefits, and travel for the second year.

Mine Safety Inspector Costs

Category	FY 2004	FY 2005
Salaries	\$58,968	\$61,327
Fringe Benefits	\$32,727	\$33,730
PPE and Testing Equipment	\$9,880	\$0
4WD Vehicles	\$44,000	\$0
Travel	\$6,000	\$6,240
Total Cost	\$151,575	\$101,297

Explanation of State Revenues: This bill requires the operator of a coal mining operation to pay a Mine Safety Assessment to pay the costs associated with two new mine safety inspectors. The assessment is \$0.005 per ton of raw coal produced for FY 2004 and \$0.0033 per ton of raw coal produced for each succeeding year. Total revenues are estimated to be \$160,071 for FY 2004 and \$105,647 for FY 2005 (see table below). Total revenue collected is dependent upon total coal production in the state. The revenue estimates are based upon the ten-year average production. The bill contains provisions to increase or decrease the fee depending upon the balance of the Mine Safety Fund.

Mine Safety Fund Revenue Estimate

Category	FY 2004	FY 2005
Raw Coal Tonnage (10-yr. avg.)	32,014,193	32,014,193
Mine Safety Fee (per ton)	\$0.005	\$0.0033
Revenue Estimate	\$160,071	\$105,647

Explanation of Local Expenditures:**Explanation of Local Revenues:**

State Agencies Affected: Department of Labor.

Local Agencies Affected:

Information Sources: Brock Mayes, Project Coordinator, Department of Natural Resources, Division of Reclamation, 812-665-2207; Jerry Payne, Indiana State AFL-CIO, 317-632-9147; Dolly Watkins, Human Resources Director, Department of Labor, 317-232-2679

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